GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:5
ANSWERED ON:15.11.2007
SUPPLY OF KEROSENE OIL TO JHARKHAND
Agarwal Shri Dhirendra

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) Whether quantity of kerosene oil being supplied in Jharkhand inadequate as a result of which people in several parts of Jharkhand are unable to get kerosene oil ;

(b) the details of quantity of kerosene oil supplied to Jharkhand against their demand during last three years; and

(c) the steps taken by the Union Government for ensuring that supply of kerosene oil is commensurate with its demand?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a): Kerosene is an allocated product for distribution under Public Distribution System (PDS). Allocation of Kerosene is made by the Government of India to different States /Union Territories (UTs) on a quarterly basis. Further distribution within the States/UTs through their PDS network is the responsibility of concerned States/UTs.

(b): Allocation of PDS Kerosene made to the State of Jharkhand for the last three years is as under:

Year	Allocation (in MTs)
2004-05	211175
2005-06	211175
2006-07	211175

(c): Kerosene is allocated to the States/Union Territories (UTs) for distribution under the PDS on historical basis for the purpose of cooking and illumination only. In accordance with the policy adopted by the Government of India in 2000, Kerosene (SKO) allocation for distribution under the Public Distribution System (PDS) was reduced every year beginning 2001-02 till 2003-04, taking into account the number of LPG connections released in each State/Union Territory. While the initial allotment for 2004-05 was based on the criteria adopted hitherto, additional allocations were made during the year to meet urgent emergent demand. For the years 2005-06 and 2006-07, allocations have been maintained at the level of 2004-05, including additional allocations made during that year. Allocations for first three quarter for 2007-08 have been maintained at the level of 2006-07.

In view of requests received from various State Governments including Jharkhand for increasing the SKO allocation, the Government of India commissioned the detailed study of Kerosene demand in the country, through the National Council of Applied Economic Research (NCAER) in December 2004. NCAER submitted its report in October 2005. NCAER has inter alia recommended to restrict the subsidy on kerosene to BPL families only.

Further, in order to formulate a long-term pricing policy, the government had constituted an Inter-Ministerial Committee under the Chairmanship of Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister to examine different aspects of pricing and taxation of petroleum products with a view to stabilizing/rationalizing their prices. The Committee submitted its report on 17.2.2006. The Committee has also inter alia recommended to restrict the subsidy on kerosene to BPL families only. The Government has accepted the recommendations of Dr. Rangarajan Committee Report and has decided 'in principle' that subsidy on PDS kerosene be limited to BPL families only. The proposal to work out the modalities to implement this decision and for rationalizing the allocation of PDS kerosene among States/UTs is under the consideration of the Government.